



Cold Climate Housing Research Center

CCHRC

Fairbanks Nonprofit Retrofit Pilot

Award No. 01458

Quarterly Report: April 1, 2014 to June 31, 2014

Denali Commission Goals & Progress

1. To demonstrate bundling of contracts and efforts for audits, financing, construction, recommissioning, and monitoring.

We have collected information relating to potential savings by bundling auditor contracts for single, multiple and selectively bundled building audits.

As the pilot project advances we will evaluate potential benefits of bundling financing, construction, recommissioning, and monitoring.

2. To demonstrate whether energy audits are a good predictor of cost savings. To date, there is limited documentation on commercial scale energy audit results.

The auditing process began this quarter. Nonprofit participants will choose which recommended retrofits to undertake in coming months. Once retrofits have been implemented we will be able to review post-retrofit energy bills as a general proxy for change in energy performance.

3. Test the theories and models in Fairbanks, Alaska where a successful outcome is expected and the margin for error is forgiving since the heat demand is so great. The opportunity for achieving cost savings is more likely than in more moderate temperate zones.

In progress.

4. If successful in Fairbanks, identify lessons learned which could be deployed to rural Alaska communities.

In progress.

Additional Partner Goals

1. Evaluate the potential to transition from a grant-funded model of financing energy efficiency retrofits in the nonprofit sector to a finance-funded model.

The cohort of nonprofit participants in the pilot project will be receiving their energy audits in the third quarter. Based on the information contained in the audit and related conversations, nonprofits will decide whether to pursue financing for the recommended retrofits. CCHRC will learn from the nonprofits what considerations they had when deciding whether to pursue financing. This should elucidate considerations for transitioning (at least in part) from grant funding to financing of energy efficiency retrofits.

2. Evaluate the importance of filling capacity gaps in the nonprofit sector (and other sectors) as a means of effectuating energy efficiency retrofits through a finance-funded model.

Several gaps have emerged to date. A significant gap in general is post-audit design work to identify costs of certain recommendations. The issue is that design work can be necessary in some cases in order to determine the cost of a recommendation. Without the certainty that the recommendation will be implemented, design costs typically fall to the client to pay out of pocket.

We are simultaneously working to find funding for design work if it is necessary and to work with stakeholders to find a workable solution that doesn't involve either the client paying out of pocket or grant funding.

Progress Report

CCHRC is progressing through its work plan for this pilot project. As of June 30th we had selected 11 nonprofits to participate in the pilot project. Applications were due April 15th (15 total applicants applied with a combined 17 buildings). We may have another round of applications depending on interested organizations and funding.

Project partners continue to work to identify funding for the second year of the pilot project, which will enable a second construction season, one year of evaluation of retrofits performed in the first year, and the ability to apply what is learned to test different approaches to achieving the goals of the pilot project.

During this quarter, work began to undertake the energy auditing process. Energy auditors on the preferred vendor list were assigned to their respective pilot buildings. Energy auditing scope has been revised based on the auditor's initial walk-through assessment. Four of the eleven audits (all tier I) have been completed and are under review.

Major milestones in the second quarter include receipt of the applications from prospective nonprofit participants, selection of nonprofit participants by a review committee, selection of

auditors for the preferred vendor list, building assignments to auditors, design cost assessments and re-scoping of work auditor work plans.

Major Milestones for the third quarter will be completing energy audits of participating nonprofits, procuring bids for retrofit work, procuring funding for and contracting needed design work and presenting loan information packages to RCAC for their consideration.

Assessment of project goals will begin in earnest once these steps are underway.